

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 AS-01 ISO-00 FEA-01 ACDA-07 CIAE-00

INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-05

OES-07 DODE-00 ERDA-05 SS-15 SP-02 AID-05 CEA-01

COME-00 EPG-02 FPC-01 H-01 INT-05 OMB-01 PM-04

USIA-06 STR-04 TRSE-00 PA-01 PRS-01 /132 W

-----032506 130857Z /10

R 130740Z JUL 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 863

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PORT MORESBY

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMCONSUL BRISBANE

AMEMBASSY PERTH

C O N F I D E N T I A L SECTION 1 OF 2 CANBERRA 4889

E.O. 11652: GDS

TAGS: PINT, AS, EMIN, ENRG

SUBJ: THE ALP MORATORIUM ON URANIUM MINING: AN ANALYSIS

REF: CANBERRA 4791

1. SUMMARY: THE AUSTRALIAN LABOR PARTY (ALP) PLATFORM CALLING FOR A MORATORIUM ON THE DEVELOPMENT OF AUSTRALIA'S URANIUM RESOURCES HAS BEEN WIDELY TRUMPETED AS A VICTORY FOR THE "LEFT-WING." IN FACT, ALTHOUGH IT SUITED THE MODERATE MAJORITY TO LET THE LEFT-WINGERS FEEL THEY HAD
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TRIUMPHED, THE MODERATES GOT JUST ABOUT EVERYTHING THEY WANTED: A CAL FOR A MORATORIUM UNTIL THE ALP COULD REVIEW THE MATTER AT ITS NEXT NATIONAL CONVENTION (IN ABOUT TWO YEARS);THE STATEMENT THAT A LABOR GOVERNMENT WOULD ASSIST IN FULFILLING EXISTING OBLIGATIONS TO OVERSEAS BUYERS IN THE EVENT AUSTRLIAN MINES WERE OBLIGED TO CLOSE; AND A CONCESSION TO THE LEFT-WING THAT A LABOR

GOVERNMENT WOULD NOT FEEL BOUND TO HONOR ANY COMMITMENTS ENTERED INTO BY THE CURRENT LIBERAL-COUNTRY PARTY COALITION GOVERNMENT. IT SHOULD BE NOTED, HOWEVER, THAT IT WAS CLEAR FROM THE DEBATES THAT NEITHER LEFT NOR RIGHT NOR CENTER WAS CONVINCED THAT SERIOUS (OR EVEN DISCERNIBLE) PROGRESS WAS BEING MADE ON THE TWIN PROBLEMS OF WASTE DISPOSAL AND SAFEGUARDS AGAINST PROLIFERATION OF WEAPONS GRADE MATERIAL. IF THE US EFFORT TO BRING NUCLEAR PROLIFERATION UNDER CONTROL IS TO SUCCEED WE MUST CONVINCE SKEPTICS IN THE ALP AND ELSEWHERE THAT WE ARE INDEED WORKING HARD-- AND WE MUST BE SEEN TO BE WORKING HARD--TO RESOLVE THESE TWIN PROBLEMS. END SUMMARY.

2. THE ALP ADOPTION, AT ITS RECENT NATIONAL CONVENTION, OF A PLATFORM CALLING FOR A MORATORIUM ON THE DEVELOPMENT OF NEW URANIUM MINES HAS BEEN WIDELY PUBLICIZED AS A VICTORY FOR THE LEFT-WING AND A CALL FOR THE "INDEFINITE SUSPENSION" OF THE DEVELOPMENT OF AUSTRALIA'S URANIUM RESOURCES. IN FACT, AN ANALYSIS OF THE ALP DEBATE AND PLATFORM, AS WELL AS DISCUSSIONS WITH VARIOUS ALP LEADERS, SHOWS THAT SUCH WAS NOT RPT NOT THE CASE.

3. MANY OF THE ARGUMENTS AT THE ALP CONVENTION FIT THE STANDARD IDEOLOGICAL PATTERN-ANTI-STRIP MINING, OPPOSITION TO ANYTHING RADIOACTIVE, ANTI-FOREIGN CAPITAL AND FOREIGN EXTRACTIVE INDUSTRIES, OPPOSITION TO MINING

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BECAUSE IT WOULD ALLEGEDLY INTERFERE WITH ABORIGINAL TRIBAL ACTIVITIES, ETC. THESE ARGUMENTS WERE REGARDED AS ESSENTIALLY SPURIOUS BY THE MODERATE MAJORITY, AND WERE DEALT WITH BY THEM RATHER HARSHLY IN THE DEBATES.

4. TWO ARGUMENTS AGAINST URANIUM, HOWEVER, WERE REPEATEDLY ENUNCIATED BY BOTH THE LEFT-WING OPPOSITION AND THE MODERATES: THE SAFEGUARDS/NON-PROLIFERATION PROBLEM, AND THE WASTE DISPOSAL PROBLEM. SPEAKER AFTER SPEAKER, EVEN THOSE WHO WANTED TO SEE AUSTRALIA JOIN THE RANKS OF RESPONSIBLE NUCLEAR SUPPLIERS, EITHER CHARGED, OR ACKNOWLEDGED, THAT NO PROGRESS HAD BEEN MADE ON THE DISPOSAL PROBLEM. OPPONENTS ARGUED THAT NO SERIOUS EFFORTS WERE EVEN BEING MADE TO TACKLE THE PROBLEM--THAT SO FAR, THE ONLY ANSWER HAS BEEN TO SIMPLY SWEEP WASTES UNDER THE CARPET; BURY THEM UNDERGROUND OR SINK THEM AT SEA, NEITHER SOLUTION ENVIRONMENTALLY SATISFACTORY. LEFT-WINGERS MOCKED PRIME MINISTER FRASER'S PLEDGES ON HIS RECENT TRIP TO EUROPE AND THE US " TO SEEK ACCEPTABLE ASSURANCES" AGAINST THE RISKS OF AUSTRALIA'S URANIUM FALLING INTO THE WRONG HANDS.

5. ECONOMIC ARGUMENTS ARE PROBABLY WHAT FINALLY DETERMINED THE PLATFORM POSITION: RAW MATERIALS AND PRIMARY AGRICULTURAL PRODUCTS CURRENTLY ACCOUNT FOR THE MAJOR PART OF AUSTRALIA'S EXPORTS, A TREND WHICH IS ACCELERATING BECAUSE OF AUSTRALIA'S EXTREMELY HIGH WAGES. AUSTRALIA THUS NEEDS THE CASH, AND ALTHOUGH URANIUM MINING WILL NOT EMPLOY LARGE NUMBERS OF PEOPLE, THE FINANCIAL ARGUMENTS ARE PRETTY COMPELLING. BY THE TIME THE NEXT ALP CONVENTION IS HELD, AUSTRALIA'S NEED TO DEVELOP HER URANIUM RESOURCES FOR SIMPLE BALANCE-OF-PAYMENTS REASONS WILL BE VIRTUALLY INESCAPABLE.

6. SO WHEN THE LEFT-WING HAD SATIATED ITS NEED TO ORATE, THE PROPONENTS OF URANIUM DEVELOPMENT HAD THEIR WAY.
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ALTHOUGH IT APPARENTLY SUITED THE MODERATES TO LET THE LEFT-WING BELIEVE IT HAD WON(AND THE PRESS ALMOST UNANIMOUSLY PLAYED IT THAT WAY), THE MODERATE SIDE GOT EVERYTHING IT ASKED FOR. THE ALP "MORATORIUM", BANNERED IN THE PRESS AS AN "INDEFINITE" SUSPENSION, IS IN FACT SIMPLY A STATEMENT THAT A LABOR GOVERNMENT WILL PERMIT NO NEW DEVELOPMENT OF URANIUM MINES UNTIL A FULL NATIONAL DEBATE CAN BE HELD AND THE NEXT NATIONAL LABOR PARTY CONFERENCE CAN CONSIDER THE MATTER. OVER INTENSE LEFT-WING OPPOSITION, WHICH WANTED TOTAL REPUDIATION OF EXISTING URANIUM MINING AND EXPORT CONTRACTS, PAUL KEATING (THE BRING YOUNG 33-YEAR-OLD SHADOW MINISTER FOR MINERALS AND ENERGY) STEERED THROUGH A COMPROMISE RESOLUTION THAT WOULD HAVE A LABOR GOVERNMENT " ASSIST IN ARRANGING FOR THE DISCHARGE OF OBLIGATIONS UNDER (EXISTING) CONTRACTS"-- PROVOKING HOWLS OF OUTRAGE FROM LEFT-WING DEPUTY OPPOSITION LEADER TOM UREN, WHO HAD COMMITTED HIMSELF TO CO-SPONSOR THE MOTION. UREN TOOK ONLY ONE SENTENCE TO DO SO, AND THEN DELIVERED AN EMOTIONAL (AND SLIGHTLY IRRATIONAL) BLAST AGAINST IT FROM THE PODIUM. A FURTHER

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ACTION EA-09

INFO OCT-01 EUR-12 AS-01 ISO-00 FEA-01 ACDA-07 CIAE-00
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OES-07 DODE-00 ERDA-05 SS-15 SP-02 AID-05 CEA-01
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USIA-06 STR-04 TRSE-00 PA-01 PRS-01 /132 W
-----032662 130900Z /10

R 130740Z JUL 77
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TO SECSTATE WASHDC 864
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C O N F I D E N T I A L SECTION 2 OF 2 CANBERRA 4889

SO-CALLED "VICTORY" FOR THE LEFT WAS THE PHRASE "LABOR
WILL REPUDIATE ANY COMMITMENT OF A NON-LABOR GOVERNMENT
TO THE MINING, PROCESSING, OR EXPORT OF AUSTRALIA'S
URANIUM." WHICH IS NO MORE THAN TO SAY THAT ANY NEW
GOVERNMENT CAN OVERTURN ANY POLICY OF A PREVIOUS GOVERN-
MENT IF IT IS DETERMINED TO DO SO-PARTICULARLY IF ALP HAS

WON ITS VICTORY AT LEAST PARTIALLY OVER THAT ISSUE.

8. COMMENT: IT WAS EQUALLY CLEAR, HOWEVER, THAT THE
TWIN PROBLEMS OF WASTE DISPOSAL AND SAFEGUARDS WILL NOT
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GO AWAY, AND THAT THESE ARE VIEWED BY MANY AS THE MAJOR
BARRIERS TO AUSTRALIA'S JOINING THE RANKS OF "RESPONSIBLE
NUCLEAR SUPPLIERS"--A US POLICY OBJECTIVE IN TRYING TO
STEM THE ONRUSHING TIDE OF THE PLUTONIUM ECONOMY. UNTIL
IT IS CLEAR THAT RESPONSIBLE NUCLEAR POWERS ARE EMBARKED
UPON SERIOUS EFFORTS TO SOLVE THE WASTE DISPOSAL PROBLEM
(NO MATTER HOW DIFFICULT AND EXPENSIVE THE SEARCH FOR A
SOLUTION MIGHT BE), AND UNTIL IT IS CLEAR THAT SOME THING
MORE THAN MERE "ASSURANCES" AGAINST PROLIFERATION OF
NUCLEAR WEAPONS IS TO BE WHAT PASSES FOR "SAFEGUARDS,"
THE DEVELOPMENT OF AUSTRALIA'S URANIUM RESOURCES (AND
THUS ITS JOINING THE RANKS OF RESPONSIBLE NUCLEAR
SUPPLIERS) IS GOING TO FACE ROUGH SLEDDING.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MORATORIUM, URANIUM, MINING, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER04889
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770248-1151
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770764/aaaaccyk.tel
Line Count: 225
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6201586c-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 CANBERRA 4791
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1881589
Secure: OPEN
Status: NATIVE
Subject: THE ALP MORATORIUM ON URANIUM MINING: AN ANALYSIS
TAGS: PINT, EMIN, ENRG, AS, ALP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/6201586c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009